

To the Members of the California State Senate:

I am returning Senate Bill 1478 without my signature.

Increasing California's commitment to renewable electricity is a cornerstone of my administration's energy and environmental action plans. My action plans outline my goal of accelerating the requirement that 20% of a utility energy portfolio be from renewable sources by 2010 and 33% be from renewable sources by 2020. The California Public Utility Commission (PUC) has acted directing the utilities to meet the accelerated date of compliance during their ongoing procurement planning process. Additionally, the PUC has also acted on my request to establish a loading order for electricity that has conservation and renewable energy sources ahead of traditional fossil fuel.

While I appreciate the author's intent to codify my action plan acceleration of the renewable energy portfolio standard, this bill has several omissions and establishes an onerous process that will impede the achievement of this goal. This bill omits municipal utilities which service almost 30% percent of the energy consumed in California from any renewable portfolio requirements. It also creates a renewable credit market that has several onerous restrictions. Finally, it fails to recognize California's commitment and reliance on an electricity market that includes the entire western region of the country.

I look forward to working with the legislature to continue to increase California's commitment to renewable energy. If codification of my action plan is desired, we should strive for legislation that results in a vibrant competitive renewable energy market and works to advance the 20% renewable energy goal by 2010 rather than impede the progress we have made.

For these reasons I am returning this bill without my signature.

Sincerely,

Arnold Schwarzenegger